

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 TRSE-00 COME-00 AID-05
IGA-02 FRB-03 OPIC-03 XMB-02 PM-04 NSC-05 SP-02
SS-15 L-03 PRS-01 CIAE-00 INR-07 NSAE-00 /079 R

DRAFTED BY EB/IFD/OMA: C H ERVIN
APPROVED BY EB: P H BOEKER
TREAS: D SYVRUD
EUR/WE: E M ROWELL
EA/J: S ECTON

-----025993 011619Z /43

P R 011545Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO PRIORITY
INFO AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: EFIN, PO, JA

SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: (A) PARIS 18443, (B) TOKYO 9259, (C) STATE 137598

1. EMBASSY IS REQUESTED TO APPROACH HOST GOVERNMENT OFFICIALS TO EXPRESS U.S. APPRECIATION OF SUBSTANTIAL JAPANESE CONTRIBUTION TO LENDING EFFORT AND TO URGE GOJ TO UNTIE THE FULL AMOUNT OF ITS PROPOSED 75 MILLION DOLS CREDIT.

2. THE U.S. IS PLEASED WITH THE OUTCOME OF THE JUNE 22 MEETING AND THE DEMONSTRATED COOPERATION OF THE INDUSTRIAL DEMOCRACIES TO SUPPORT DEMOCRATIC CONSOLIDATION AND ECONOMIC STABILIZATION IN PORTUGAL. THE U.S. RECOGNIZES THE CON-

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SIDERABLE EFFORT WHICH THE GOJ HAS MADE TO FIND AN IMAGINATIVE AND FORTHCOMING WAY TO HELP IN MEETING PORTUGAL'S NEEDS. THE FACT THAT THE JAPANESE REP AT THE JUNE 22 MEETING WAS ABLE TO INDICATE THAT JAPAN INTENDS TO PROVIDE UP TO 75 MILLION DOLS CONTRIBUTED SIGNIFICANTLY TO THE SUCCESSFUL OUTCOME OF THAT MULTILATERAL EFFORT FOR PORTUGAL.

3. THE JAPANESE REPRESENTATIVE AT THE JUNE 22 MEETING INDICATED THAT THE GOJ CONTEMPLATES A GOVERNMENT GUARANTEE OF 50 MILLION DOLS IN UNTIED COMMERCIAL BANK LOANS AND A 25

MILLION DOLS CREDIT FROM THE JAPANESE EXIM BANK WHICH WOULD PRESUMABLY BE TIED. THE U.S. HOPES THAT JAPAN WILL BE ABLE TO UNTIE ALL OF ITS PROPOSED 75 MILLION DOLS PARTICIPATION IN THE PORTUGUESE ARRANGEMENT. PARTICIPANTS AT THE FIRST MEETING IN MAY RECOGNIZED THAT BECAUSE PORTUGAL'S FINANCING NEEDS ARE NEAR TERM AND CRITICAL, UNTIED BALANCE OF PAYMENTS LOANS WHICH ARE FAST DISBURSING WOULD BE THE MOST APPROPRIATE FORM OF ASSISTANCE. AS A RESULT OTHER COUNTRIES HAVE FOUND MECHANISMS TO PROVIDE FULLY UNTIED CREDITS. AT PRESENT COUNTRIES HAVE INDICATED FIRM COMMITMENTS TO PROVIDE ABOUT 630 MILLION DOLS (EXCLUDING THE JAPANESE 75 MILLION DOLS) IN UNTIED LOANS. UNTYING THE ENTIRE PROPOSED 75 MILLION DOLS CREDIT WOULD MAKE THE FORM OF JAPAN'S CONTRIBUTION FULLY CONSISTENT WITH PORTUGAL'S FINANCING NEEDS AND THE ASSISTANCE PLEDGED BY OTHER DONORS.

4. IF GOJ CANNOT UNTIE A PORTION OF ITS 75 MILLION DOLS CONTRIBUTION, WE WOULD HOPE THAT THIS PORTION WILL BE AS SMALL AS POSSIBLE AND THAT SUCH PORTION COULD BE EFFECTIVELY, IF NOT FORMALLY, UNTIED. ARRANGEMENTS WHICH WOULD FACILITATE EFFECTIVE UNTYING, FOR EXAMPLE, RETROACTIVE FINAN-

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CING OF A BROAD BASE OF GOODS EXPORTED IN PREVIOUS OR CURRENT PERIODS, WERE DESCRIBED IN PARA 4 OF REFTEL C. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN ASSISTANCE, FINANCIAL CONTRIBUTIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE153613
Document Source: CORE
Document Unique ID: 00
Drafter: C H ERVIN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770235-0925
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770797/aaaadgig.tel
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Litigation History:
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Message ID: 67edf071-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
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Reference: 77 PARIS 18443, 77 TOKYO 9259, 77 STATE 137598
Retention: 0
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Review Date: 25-Jan-2005 12:00:00 am
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Status: NATIVE
Subject: FINANCIAL ASSISTANCE FOR PORTUGAL
TAGS: EFIN, EAID, PO, JA
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